LNG Unlimited

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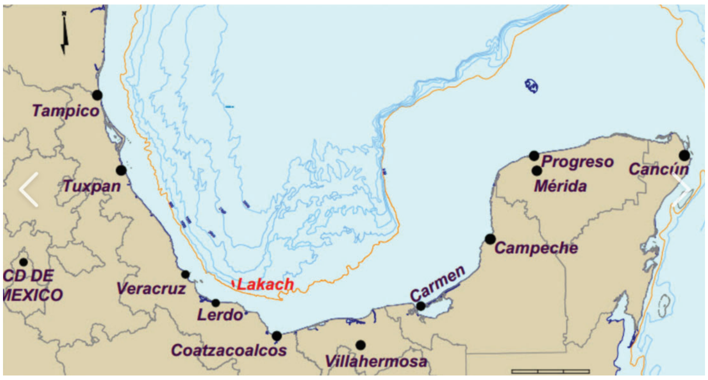
Gulf of Mexico draws LNG players with Rio Grande deal and FLNG

New Fortress Energy joins Pemex for LNG off Veracruz as US plant signs China deals

LNG News Editor



LNG feed gas sought from Lakach field offshore Veracruz

New Fortress Energy Inc, the expanding LNG terminals, production, shipping and power assets owner has signed an agreement with Mexico's national energy company Petróleos Mexicanos (Pemex) to form a strategic partnership including a floating LNG project in the Gulf of Mexico.

At the same time NextDecade Corp., the developer of the Rio Grande LNG export project on the Brownsville Ship Channel in Texas, has signed a third supply agreement with a Chinese company since the start of 2022.

Joint development

New Fortress, based in New York, said the partnership involves the joint development of the Lakach deepwater natural gas field for Pemex to supply natural gas to Mexico's onshore domestic market and for NFE to produce LNG for export to global markets.

The Lakach deepwater gas field is located 93 kilometres (58 miles) southeast of Veracruz port in the GoM at water depths ranging between 850 metres and 1,200m.

It was the first deepwater development project for Pemex, which is the sole operator of the field.

"We are honored to enter into this important strategic partnership that strengthens NFE's commitment to long-term operations in Mexico and demonstrates the tremendous value of our integrated natural gas infrastructure business model," said Wes Edens, Chairman and Chief Executive of NFE.

"This is the first of a number of offshore development opportunities that leverage what we think is an ideal formula for offshore gas assets around the world, one that combines gas for domestic use with gas for export," explained Edens.

As part of the deal, NFE will invest in the continued development of the Lakach field over a two-year period by completing seven offshore wells.

In addition, NFE will deploy to the Lakach field a 1.4 million tonnes per annum FLNG unit to liquefy the majority of the produced natural gas.

"Remaining natural gas and associated condensate volumes would be utilized by Pemex in Mexico's onshore domestic market," added NFE.

Feed-gas resources

Lakach is one of the largest non-associated gas fields in the GoM with total original gas in place of 1.1 trillion cubic feet.

"Coupled with the nearby undeveloped Kunah and Piklis fields, the area has a total resource potential of 3.3 Tcf and comprises one of the most significant undeveloped offshore gas resources in the Western hemisphere," said NFE.

The US company will produce the LNG using its own "Fast LNG" design offshore.

NFE's "Fast LNG" pairs modular, midsize liquefaction technology with jack-up rigs or similar floating infrastructure to enable a much lower cost and faster deployment schedule than floating liquefaction vessels.

The US company is involved in other FLNG ventures, including one offshore the US Gulf state of Louisiana and another offshore the Republic of Congo in West Africa.

The Houston, Texas-based company NextDecade signed a 20-year sale and purchase agreement with China Gas Hongda Energy Trading Co., a wholly-owned subsidiary of China Gas Holdings.

Under the SPA, China Gas will purchase 1.0 million tonnes per annum of LNG indexed to Henry Hub and delivered on a free-on-board (FOB) basis.

"The LNG will be supplied from the second Train at Rio Grande LNG, which is expected to start commercial operations as early as 2027," said NextDecade.

The US company has ultimate plans and permits to produce up to 27 MTPA of LNG from five liquefaction Trains at the Rio Grande facility. ■

UNLIMITED AGENDA

Australian energy report sees policy shifts over LNG imports in China, South Korea and Japan

LNG News Editor

Asian LNG imports generally declined in the first half of 2022 with rising gas prices curbing demand in the Japanese and South Korean electricity sectors, while a combination of high spot prices and ongoing Covid-19 lockdowns reduced gas consumption in China.

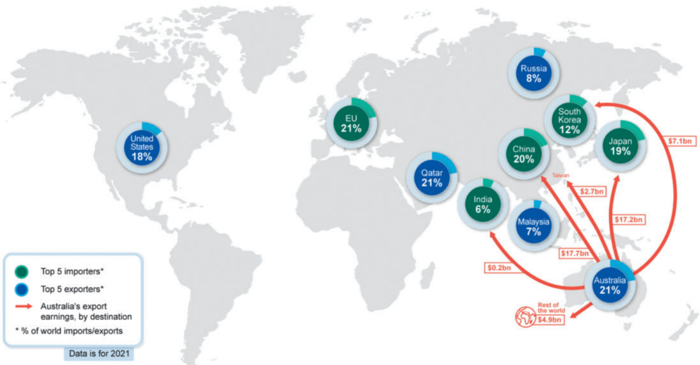
The Australian Government's quarterly "Resources and Energy Report", issued by the Office of the Chief Economist, looked in detail at the Asia-Pacific LNG import market during the first half of 2022 as well as at prices.

Capitalised

"Europe has capitalised on the Asian slump, by importing larger LNG volumes to offset declining pipeline gas supply from Russia," said the report.

"As a result, Europe is forecast to import 116 million tonnes of LNG in 2022, up 54 percent from 2021," it added.

The Australians noted that the United States appeared to be facilitating the shift from Russian gas already, with roughly three-quarters of all US LNG exports destined for Europe between January and April 2022, compared to 38 percent in the same period in 2021.



Australia's own LNG earnings are forecast to increase

Australia's own LNG export earnings are forecast to rise from an estimated A$70 billion (US$48Bln) in 2021-2022 to A$84 billion (US$57.5Bln) in 2022-2023, driven by rising global energy prices.

"Earnings will likely then ease back to A$68Bln in 2023-2024, as LNG and oil markets reorganise and prices start to decline," said the report.

Australia's LNG export volumes are forecast to stabilise at around 79-80 million tonnes after reaching 82.2MT in 2021-2022.

"LNG markets are expected to tighten considerably in the second half of 2022, as disruptions to US LNG facilities and Russian pipeline exports weigh heavily on global gas supply," said the report.

"Moreover, a recovery in Asian demand - due to the easing of lockdown restrictions in China or higher demand for gas-powered generation - could place further stress on global LNG markets later this year," the Australian report stated.

Looking at China, the report from Canberra noted that Chinese gas demand "could surprise on the upside" as manufacturers seek to offset lost production and the government moves to support industrial activity to stimulate the economy.

"According to shipping data, Chinese LNG imports fell by 13 percent to 16.9MT in the March quarter 2022, compared to 19.4MT in March quarter 2021. China also recorded its lowest level of LNG imports for April since 2019," said the report.

Australian LNG shipments accounted for 39 percent of China's imports volumes in 2021, with imports reaching about 30MT.

"However, imports from Australia fell from 7.1MT in the March quarter 2021 to 5.6MT tonnes in the March quarter 2022. These figures represent a 21 percent reduction in Chinese imports of Australian LNG year-on-year," it added.

The report also declared that the fall in imports from the US has been "even more pronounced" with Chinese imports of US LNG declining by 68 percent year-on-year from 1.8MT previously to 600,000 tonnes in the March quarter 2022.

Japan and Korea

Looking at Japan, LNG imports were steady in 2021, at 75MT, or approximately 20 percent of global LNG imports. However, imports in the March quarter 2022 were down by 11 percent year-on-year to 20.6MT.

■

Gazprom supplies drop 30 percent as its shares and those of Germany's Uniper hit by sanctions

Gazprom said pipeline natural gas exports to countries outside the former states of the Soviet Union dropped by more than 30 percent, while the company's shares also plunged on not paying a dividend along with those of German utility Uniper on its lack of guaranteed Russian gas supplies.

Exports of natural gas by Gazprom in the period from January through to the end of June 2022 dropped by 31 percent to mostly Western Europe, according to the figures relating to Non-Commonwealth of Independent States (CIS) nations, including the European Union as well as China.

"Gas exports to non-CIS countries in the six months fell by 31 percent, or by 31 billion cubic metres, to 68.9 Bcm," said Gazprom. This will require even more LNG imports to Europe to offset the cuts.

The Gazprom figures also showed that exports to China increased at the same time as supplies to the EU fell.

Gazprom added that in the January-to-June period of 2022 it cut overall year-on-year production by 8.6 percent to 238.4 Bcm and which was supplied inside and outside of Russia. The company stated that in the second half of 2021 exports to non-CIS countries reached 99.9 Bcm, which was close to the first-half 2021 record amount of 101.2 Bcm.

Gazprom, based in Saint Petersburg, said first-half 2022 pipeline natural gas supplies to China increased by 63.4 percent. No Bcm number was disclosed, though was estimated to be 16.97 Bcm.

Gazprom also saw its shares plunge by 27 percent on Moscow's stock exchange before the exchange intervened to halt trading.

The withholding of the dividend for the record 2021 earnings marked the first time since 1998 that the company has not paid a dividend.

Gazprom's profits had jumped because of soaring commodity prices though economic sanctions after Russia's February 2022 invasion of Ukraine had severely reduced forecast revenues.

The company's shares have dropped last week by around 42 percent from 332.15 roubles per share before the Ukraine invasion down to the current levels.

■

Enagás signs gas accord with Albania

Leading European Union LNG import terminal owner and grid operator Enagás has signed an agreement in Madrid with Albania on helping the Balkan nation's natural gas company AlbGaz develop its markets and infrastructure.

The Prime Minister of Albania Edi Rama and Spain's Energy Minister Teresa Ribera attended the signing of the Enagás-AlbGaz agreement along with the Albanian Minister of Energy and Infrastructure Belinda Balluku.

The Balkan region is one of the most vulnerable in terms of the lack of energy diversity and security and the signing of this accord is seen as another step towards helping Albania develop its economy.

AlbGaz is the Albanian Transmission System Operator (TSO) and is working to modernize the gas system in the country.

The actual gas agreement was signed by the Chief Executive of Enagás Arturo Gonzalo and his AlbGaz counterpart Arber Avrami to collaborate in the development of gas infrastructure in Albania.

"This agreement lays the foundations to contribute to the security of energy supply, not only in Albania but also at the regional level, and to the decarbonization of its economy, displacing polluting fuels and also promoting renewable gases," said a statement.

Arturo Gonzalo pointed out that the agreement opened up relevant avenues for future collaboration between the Spanish and Albanian gas industries.

"Cooperation between European TSOs is key in the current context. The accord is aligned with the purpose of Enagás to contribute to security of supply and decarbonisation in Europe," added Gonzalo.

Dutch Gate LNG import terminal looks at August open season

LNG News Editor

The Dutch Gate LNG import terminal in Rotterdam, a joint venture between Dutch utility Gasunie and global storage company Royal Dutch Vopak, said it was taking several initiatives to strengthen security of supply of natural gas in Northwest Europe.

Gate Terminal BV, the operating company, said it was now able to continue offering its expanded send-out capability.

Gate terminal started in 2011 and has expanded slowly

Tentative plan

The annual capacity is now 12 billion cubic metres on a firm basis and in addition there will be 4 Bcm on an interruptible basis available in the future.

"The terminal company has started working on a permit application, regulatory conditions and technical feasibility with the aim of launching an open season on tentatively 15 August to increase the firm annual capacity by 4 Bcm," explained Gate Terminal.

"Such an expansion would include a fourth tank and subject to smooth cooperation of all stakeholders such capacity could become continuously available between 1 October 2025 and 1 October 2026," added the company.

There are also moves under way to Increase the truck-loading capacity at the facility.

Gate Terminal said that in 2022 the number of truck-loading operations had been higher each month than in the corresponding months of 2021.

"This has resulted in congestion and as a mitigation Gate Terminal has used its spare truck-loading bay," it said.

"Gate terminal has now decided to go for a more structural solution by building two additional truck-loading bays which are expected to become operational in the second half of 2023," said the company.

The Rotterdam terminal started operations in 2011 and analysts note that its expansion has been slower than other facilities around Europe because of a perceived lack of enthusiasm for gas usage in the Netherlands or in becoming a real gas hub for neighbouring countries. This changed in the post-Ukraine crisis.

Isle of Grain facility near London asks for expressions of interest

The largest European LNG import terminal, the UK Isle of Grain facility located southeast of London, has called on the market to participate in an expression of interest exercise for capacity.

Grain LNG has issued a statement inviting market participants to express an interest in low-cost capacity at the facility from 2029.

Applicants will have until August 15, 2022, to submit a non-binding declaration of their interest in capacity at Grain LNG.

"This is an opportunity for the market to indicate the quantities and duration of the contracts they would like, enabling Grain LNG to determine the best way to proceed and the capacity products to offer," said the company.

Grain LNG, a subsidiary of the UK's London Stock Exchange-listed National Grid plc, explained that it had a series of existing capacity contracts coming to an end over the course of 2029.

As a result, Grain LNG expects to be able to offer at least 360,000 cubic metres of storage and 300 gigawatt hours per day of regasification capacity for start-up in 2029.

"As the capacity already exists, this will enable Grain LNG to uniquely offer short-term contracts of five years or more and should result in significantly lower cost capacity versus new build terminals," the company explained.

Nicola Duffin, Commercial Director at Grain LNG, said that LNG represented an ever more vital component in the UK and global energy mix and supported security of supply.

"This looks set to continue in the context of the wider market. LNG is also an important balancing tool for intermittent renewables," added Duffin.

"The EOI provides a great opportunity to gauge market needs and help us to develop the packages and product offerings that meet those requirements," she stated.

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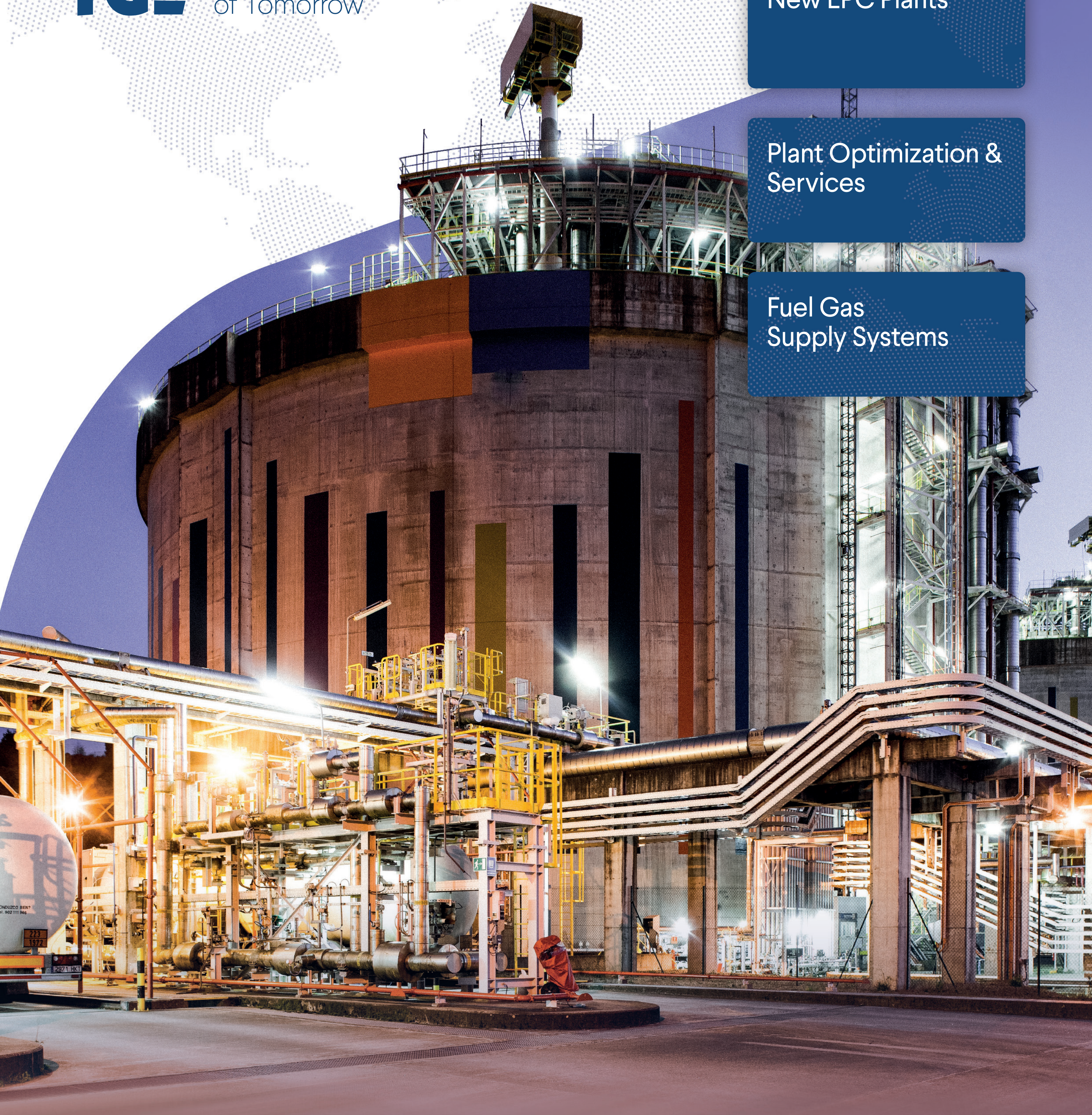

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NEWS BRIEFS

OLT Offshore change

OLT Offshore LNG Toscana, the owner of the floating storage and regasification unit "FSRU Toscana" deployed offshore Livorno, has named Elio Ruggeri as Chairman and confirmed Giovanni Giorgi in the role of sole Chief Executive. The company also thanked outgoing CEO Maurizio Zangrandi, who had shared the role of Co-CEO with Giorgi. "I am honoured to assume the position of Chairman of OLT, an infrastructure that more than ever represents a reference point for the country in terms of security and diversification of energy supplies," said Chairman Ruggeri.

Eemshaven LNG deals

Dutch utility Gasunie said it signed the first capacity holders for the two floating storage and regasification units (FSRUs) planned for the Netherlands port of Eemshaven. Gasunie said the successful joint bidders were the Czech Republic energy company ČEZ a.s. and Shell Western LNG BV as they acquired 7 billion cubic metres of capacity. Gasunie said its EemsEnergy Terminal subsidiary expected the remaining 1 Bcm of capacity to be sold in the coming months.

Flex LNG updates

Flex LNG, the owner of 13 LNG carriers, has updated its market and revenues guidance to be presented at a conference organized by Norwegian investment bank Arctic Securities. "Given the recently announced Time Charter Agreements for 'Flex Rainbow', 'Flex Enterprise' and 'Flex Amber' which have secured in total 24 years of fixed hire employment, Flex LNG has made positive adjustments to its revenue guidance for the year," said the company. ■

German Association of Gas Transmission System Operators outlines its key role in ventures covering LNG and new energy

LNG News Editor

The German Association of Gas Transmission System Operators (FNB Gas) said its members had been working flat out to provide initial answers to the new economic conditions for natural gas, including the introduction of LNG imports after the Russian invasion of Ukraine.

FNB Gas, which groups a dozen companies overseeing 40,000 kilometres of natural gas pipeline flows and other infrastructure, has been a firm supporter of LNG and backed the Brunsbüttel-Hetlingen pipeline and other infrastructure to enable the success of the nation's first onshore LNG terminal project currently under development at Brunsbüttel on the Elbe River.

LNG projects are at Brunsbüttel and three other locations

Regas move soon

The industry body said that the first introductions of regasified LNG into the German gas network system will be possible as early as this year or in 2023.

"Not only in terms of security policy, but also in terms of energy policy, we must speak of a turning point," said FNB Gas Chief Executive Thomas Goessmann.

"As a result, the TSOs were unable to present the current Gas Network Development Plan (NDP) in the form and content they are accustomed to," explained Goessmann.

"The changed situation calls for a much greater diversification of our energy sources and an acceleration of the switch from natural gas to green and climate-neutral gases such as hydrogen," he stated.

LNG imports

FNB Gas said that with the three new LNG security of supply projects the TSOs are showing in their interim NDP how the connection of LNG systems and the forwarding of the LNG quantities can be made to partially replace Russian natural gas quantities on the network side.

The changes in load flows will also play an important role in the network calculations.

FNB Gas said that the German gas and utilities regulator, the Federal Network Agency, or Bundesnetzagentur, had asked the TSOs to consider other LNG options as well "with a view to completely replacing Russian natural gas" volumes.

The TSOs intend to publish these in the second part of its consultation document on the NDP Gas 2022-2032.

"In order to meet the political schedule, the TSOs are ready to implement LNG measures at an accelerated rate. To do this, the legal requirements must be created in the short term and the measures must be confirmed promptly," explained Inga Posch, the Managing Director of FNB Gas.

The introduction of LNG into Germany currently comprises the onshore plant at Brunsbüttel and other import facilities on the North Coast of Germany at Rostock, Stade and Wilhelmshaven.

Investments

The Brunsbüttel and Stade locations were already under development before the Russia invasion of Ukraine.

The Rostock LNG project is new while the Wilhelmshaven floating LNG terminal plan was revived and expanded after being dropped by the developers.

"The initial investments for LNG supply security options is between €4.4 billion and €4.6 billion," said the FNB Gas report.

"This includes around €2Bln for measures that have already been confirmed in the final NDP Gas for 2020-2030," it added.

"Costs of €2.1Bln to €2.4Bln arise from network transportation measures for the LNG quantities with firm capacities being provided for LNG and SNG (synthetic natural gas) and to adapt the transmission network to changed flow loads," said the report.

FNB Gas also explained that the new gas industry framework included the fast-track construction of "hydrogen infrastructure".

Other pipelines

Plans are being considered for a Germany-wide hydrogen network by 2032 with pipelines of up to 8,500 kilometres in length.

"In the future, we expect the need for hydrogen transport to continue to rise sharply in order to achieve the ambitious climate targets, but also to reduce dependence on Russian natural gas as quickly as possible," stated Posch.

FNB Gas said that to make the process of developing the hydrogen network even more transparent and open, the hydrogen option was modeled for the first time by the TSOs together with other potential hydrogen network operators. ■

UK LNG imports surge 50 percent along with interconnector deliveries to Dutch and Belgians

LNG News Editor

UK LNG imports increased by nearly 50 percent as the country's regasification infrastructure was used to increase natural gas supplies to Europe after the February invasion of Ukraine by Russia and the start of Western sanctions.

The latest data in the "Energy Trends" publication from the UK Department for Business, Energy and Industrial Strategy showed that the UK played a crucial key role in supplying gas to Europe from the first quarter of 2022.

Carrier berthed at the UK terminal on Medway River

Highest in 10 years

"LNG imports increased to reach the highest level recorded in over a decade," said the report.

It noted that the UK operates the second-largest LNG regasification infrastructure in Europe, with the largest being in Spain.

"The UK has acted as a gateway for gas to enter European pipeline systems and meet demand, as countries moved away from importing Russian gas," explained the report.

"The USA provided the largest source of LNG imports, reaching a record high and more than doubling that imported in the first quarter of 2021," the report added.

Conversely, LNG from Russia dropped by 68 percent compared with the first quarter of last year as the UK also looked at phasing out Russian imports.

UK Gas exports "substantially" increased in the first three months of 2022 and regasification infrastructure was used to boost supplies to the European Union on pipeline links to the Continent.

"Exports more than doubled, driven by a rise in pipeline exports to Belgium and the Netherlands," explained the report.

"As these interconnectors are bidirectional, their increased utilisation for exports led to a corresponding fall in imports," it added.

"This resulted in an 11 percent reduction in total imports to the UK, and a 22 percent fall in net imports," stated the report.

The UK report noted that the nation's demand for natural gas fell by 12 percent in the first quarter in comparison with the first three months of last year.

"This reduction was largely driven by falls in gas used for domestic and electricity generation purposes," said the report.

"Domestic consumption fell by 17 percent, due to warmer average temperatures reducing the need for domestic heating, and the removal of most Covid-19 restrictions," it explained.

"Gas used for electricity generation fell by 15 percent, due to increased availability of renewable sources," it added.

UK gas output

The UK's gross natural gas production increased in the first quarter and was up 5 percent on the previous year.

This reflected a partial recovery in production following substantial maintenance in 2021 but remained lower than pre-pandemic levels.

"Maintenance shut down key infrastructure, including the Forties Pipeline System. In addition delayed maintenance in 2020 due to restrictions to curb the Covid-19 pandemic was able to take place," added the report. ■

Derivatives platform ICE report June high volumes

Intercontinental Exchange, a leading global provider of energy trading platforms for futures and options, reported very high volumes for June and for the second quarter highlighted derivatives included North American natural gas, the European Union benchmark Dutch Title Transfer Facility and North Sea Brent crude oil.

"The continued war in Ukraine sparked a reshaping of global energy flows in the second quarter of 2022, a process which will continue to present new risks and uncertainties for investors and consumers of energy," said Ben Jackson, President of ICE.

"Meanwhile rising inflation has created an interest rate environment vastly different to what investors have navigated in the years since the (2008) financial crisis," explained Jackson.

"Our transparent, accessible futures markets continue to provide critical risk management tools for customers to manage and hedge these risks and uncertainties across asset classes," he stated.

Among the June highlights the total average daily volume (ADV) was up 13 percent year-on-year and total open interest (OI) increased by 3 percent.

For North Sea Brent crude the ADV increased by 6 percent compared with June 2021.

Total natural gas ADV jumped by 12 percent versus June 2021 and natural gas OI increased by 8 percent.

North American natural gas ADV increased by 14 percent with OI up 15 percent. Open interest on the EU benchmark Dutch TTF jumped by 9 percent year-on-year.

Italy's grid operator SNAM buys second FSRU 'BW Singapore'

LNG News Editor

Italian LNG terminal and gas grid operator SNAM has agreed to buy a second floating storage and regasification unit (FSRU) from BW LNG of Singapore after purchasing a first FSRU from Norwegian fleet owner Golar LNG.

SNAM said it signed an agreement to buy the "BW Singapore" which like the Golar vessel can act as a conventional carrier or an FSRU.

BW LNG vessel to have roll in East Med market

Adriatic base

The "BW Singapore" was built in 2015 and has storage capacity of about 170,000 cubic metres and a nominal continuous regasification capacity of about 5 billion cubic metres per annum.

"The FSRU, which is currently bound by a charter agreement with a third party until November 2023, is expected to be installed in the upper Adriatic Sea, close to Ravenna," said SNAM.

SNAM said the "BW Singapore" acquisition would be financed from its own resources for an amount of around $400 million, which will be paid in two tranches.

"Operations are scheduled to commence in the third quarter of 2024, following the completion of the authorisation and regulatory process as well as the finalisation of the works required for mooring and connection to the gas transport network," the Milan-based company added.

SNAM agreed a similar deal at the start of June 2022 with Golar LNG, acquiring the FSRU "Golar Tundra" for $350M.

The 170,000 cubic metres capacity "Golar Tundra" was delivered in 2015 and also has a regasification capacity of 5 Bcm per annum.

Golar had signed a previous deal with SNAM on Golar converting the last of its trading steam-turbine LNG carriers, the "Golar Arctic", into an FSRU for delivery to SNAM at a port on the Italian island of Sardinia.

SNAM, whose name comes from Societa Nazionale Metanodotti (National Pipeline Company), operates the onshore Panigaglia LNG facility in the northwest near Genoa as well as having a controlling stake in the LNG facility, the "FSRU Toscana", moored off the Italian coast between the cities of Livorno and Pisa.

Class society DNV reports latest on LNG-fuelled ship momentum

European maritime classification society DNV said that there was still momentum in orders for LNG-fuelled vessels from ship owners in the month of June even as LNG bunker prices increased further in ports such as Rotterdam in the Netherlands.

The DNV report said there were currently 807 confirmed LNG-powered ships and 229 additional LNG-ready ships, while LNG bunkering infrastructure was continuing to be developed worldwide.

The DNV's Alternative Fuels Insight platform said six vessels were added in June but due to an adjustment of a previously reported order, the net growth in June amounted to only two additional vessels.

This brought the total second-quarter order figure to 83 and to 153 for the year so far.

DNV said the second-quarter statistics also saw car carriers break through the 100 confirmed ships line and containerships moving above the 200 ships mark.

"Halfway through 2022 the YTD (net) count for new LNG fuelled vessel orders stands at 153," said Martin Wold, Principal Consultant in DNV's Maritime Advisory business.

"Though we have predicted a slowdown of orders for the remainder of the year, the very low June growth is likely to be a bottleneck rather than a trend. There are many tens of dual-fuel vessels for which signing is reported to be imminent," stated Wold.

"Seventy-eight percent of orders for LNG-fuelled tonnage this year have been container vessels and car carriers and continued growth this year will depend on newbuild activities in these segments," he added.

Latest bunkering prices showed LNG priced in fuel oil terms at Rotterdam were higher than the previous month at around $2,231 per tonne in June versus about $1,628 per tonne at the end of May 2022.

Supreme Court greenhouse-gas emissions ruling on regulation should improve US permit process

LNG News Editor

The US Supreme Court ruling just before the July 4 holiday weekend to limit the regulatory powers of the Environmental Protection Agency (EPA) over emissions from power plants is seen reducing legal challenges on the US hydrocarbon industry, including against LNG export developments and natural gas pipeline infrastructure.

In a 6-3 opinion the Supreme Court in Washington DC ruled in the case of West Virginia versus the EPA that the federal agency did not have the authority to regulate industry greenhouse-gas emissions that would affect individual power plants.

Court rules authority over emissions rests with Congress

Obama era case

The case stems from former President Barrack Obama's Clean Power Plan (CPP), which would have enforced mandates for how much GHG emissions from power plants were allowed.

The policy was never officially implemented as it faced legal challenges and was side-lined under the Administration of President Donald Trump. Analysts said the Court ruling leaves the Administration of President Joe Biden dependent on passing legislation if it wants to introduce regulations to reduce GHG emissions at plants and facilities.

"A decision of such magnitude and consequence rests with Congress itself," the Court ruled.

The justices stated that they doubted Congress intended to delegate the question of "how much coal-based generation there should be to any administrative agency" of the federal government.

Analysts added that the Court ruling marked a setback for Biden, who was elected President on an anti-hydrocarbon platform and several of his first moves included blocking oil and gas projects.

Biden setback

The most high-profile Biden cancellation was of the Keystone XL pipeline extension to deliver more cheap Canadian oil for refining in the US into petroleum products such as gasoline.

Biden and his Democratic Party also opposed LNG, a policy they have now rowed back on, and blocked the Jordon Cove LNG export project proposed for the northwest state of Oregon as an outlet to Asia for abundant US natural gas.

Biden has also pledged to remove carbon from the US power grid by the middle of the next decade, setting the country on a path to net-zero emissions.

However, his efforts to implement more extreme climate-mitigation legislation in Congress have stalled and could disappear after the mid-term elections in November 2022.

US lawyers were quick to comment and asserted that the Supreme Court ruling in the case for West Virginia, the US coal state, should be interpreted as a warning to federal agencies not to overstep their explicit statutory authority in crafting new regulations.

Though the Obama CPP never took effect, its opponents were concerned that a similar policy against coal, oil and gas could be enacted unless the courts intervened and this led to the West Virginia case. ■

Freeport LNG plant plans partially re-start from October after satisfying regulators on fire recovery

The US Freeport LNG plant in Texas now estimates that the resumption of partial liquefaction operations following the June 8 fire will be early October 2022 and with a year-end target for the resumption of full production.

"With commencement of such operations, we expect to be able to deliver substantially all baseload production volumes," said Freeport in a statement.

The Quintana Island facility was responding to safety order issued by the Pipeline Hazardous Materials Safety Administration (PHSMA).

"A comprehensive review by Freeport LNG is already underway to ensure that all necessary corrective actions are identified and fully implemented prior to resuming operations," declared Freeport LNG.

"Safety has always been, and will continue to be, the highest priority for Freeport LNG," explained the company.

"Since the incident on June 8th, the company has worked collaboratively with all local, state and federal officials regarding the incident response, investigation, and safe resumption of liquefaction operations," it added.

"We will continue to do so, particularly with PHMSA, the Federal Energy Regulatory Commission and the United States Coast Guard to obtain the necessary approvals to safely restart operations," stated Freeport LNG.

The June 8 incident occurred in pipe racks that support the transfer of LNG from the facility's LNG storage tank area to the terminal's dock facilities located on the north side of the dock basin.

None of the liquefaction Trains, LNG storage tanks, dock facilities, or LNG process areas were impacted.

Despite the explosion no injuries were reported and the US Coast Guard immediately enforced a 2-mile security zone east and west of the facility.

Freeport LNG was founded by billionaire Michael Smith who is Chairman and Chief Executive and he is currently overseeing plans for an expansion from 15 million tonnes per annum to 20 MTPA with a fourth liquefaction Train.

The plant is the joint second-largest liquefaction facility in the US, from seven currently operating, along with Cameron LNG and Corpus Christi LNG, and is surpassed only by the six-Train plant at Sabine Pass in Louisiana, owned by Cheniere Energy.

Freeport LNG's main customers include Japan's largest importer JERA Co. Inc., Japanese utilities Kansai Electric, and Osaka Gas, South Korean company SK E&S and companies in Europe. ■

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